

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL

**Director's Review and Preliminary Determination of Permit Issuance
for
Sierra Pacific Power Company, Tracy Plant Expansion Project
June 22, 2005**

Sierra Pacific Power Company, Tracy Station (TRACY) has submitted an application for a new Class 1 Operating Permit to Construct (OPTC) to the Nevada Division of Environmental Protection - Bureau of Air Pollution Control (NDEP-BAPC). The Prevention of Significant Deterioration (PSD) Permit application was submitted on September 15, 2004 and deemed complete on October 16, 2004. The facility is proposed to be located on property owned by Sierra Pacific Power Company, approximately 17 miles east of Reno, Nevada, and is an addition to the Frank A. Tracy Generating Station.

The NDEP-BAPC has reviewed the application and has made a preliminary determination to issue the Class I Operating Permit to Construct.

The project consists of a nominal 611-megawatt, natural gas fired, electric baseload generating plant utilizing two combined cycle combustion turbines with two heat recovery steam generators, with supplemental firing duct burners, for the purpose of generating steam to drive one steam turbine generator.

Current emission estimates indicate that the TRACY plant will be a Major Stationary Source for PSD purposes because emissions of criteria pollutants are greater than 100 tons per year (tpy) and Tracy is categorized as 1 of the 28 source categories identified under 40 CFR 52.21(b)(1)(i)(a).

<i>Facility-Wide Potential to Emit</i>		
Pollutant		TPY
PM	(Particulate Matter)	219.07
PM₁₀	(Particulate matter <10 microns in diameter)	219.07
NO_x	(Oxides of Nitrogen)	175.89
CO	(Carbon monoxide)	105.78
VOC	(Volatile Organic Compounds)	65.87
SO₂	(Sulfur Dioxide)	17.61
HAPs (all)	(Hazardous Air Pollutants)	14.31
H₂SO₄ Mist	(Sulfuric Acid Mist)	8.8

The proposed project is to be located in hydrographic basin HA83, an air management area triggered by Tracy on March 11, 1994 for PSD increment for oxides of nitrogen (NO_x), particulate matter less than 10 microns in diameter (PM₁₀) and sulfur dioxide (SO₂). For this proposed facility two ambient air impact studies were required: one to demonstrate compliance with the Nevada Ambient Air Quality Standards (NvAAQS), and one to demonstrate compliance with the allowable PSD Significant Impact Levels.

The air quality analyses demonstrate that the emissions from the proposed processes will not cause or contribute to a violation of any applicable federal or state ambient air quality standard. Pursuant to the Federal PSD provisions, the project must employ the Best Available Control Technology (BACT) for emissions controls. After review of the application and independent NDEP-BAPC air quality analysis, the agency has determined that the proposed project may be constructed and operated without an adverse impact on air quality and will not cause or contribute to an increment exceedence.

The proposed source must comply with all State and Federal air quality requirements and all conditions established within the proposed Operating to Construct Permit.